

Environmental Policy and Planning Committee
Meeting Minutes
September 5, 2001

Board Members Attending

Nancy Dunn, Vice-chair (chairing the committee)
Paul Waff
Alan Thornberg
Conrad Burrell
Doug Galyon

The topic of the agenda was air quality. Paul Muller from North Carolina Department of Environment and Natural Resources and David Hyder from North Carolina Department of Transportation made presentations.

Air Quality Issues in North Carolina, Paul Muller

Mr. Muller reviewed the key health and environmental issues associated with poor air quality. Health issues can impact anyone, but the young, old and those with respiratory problems are particularly affected. Environmental issues include poor visibility and acid deposition. In North Carolina the pollutants of concern are nitrogen oxides (NO_x) and sulfur dioxide (SO₂). The primary sources of NO_x problems are power plants (45% of total NO_x emissions) and mobile sources (30%). Coal-fired power plants and industrial boilers are the primary sources of SO₂.

The federal Environmental Protection Agency (EPA) is in the process of implementing a new, stricter standard for controlling NO_x emissions. Implementation of the new standard has been delayed by court cases. EPA will begin the designation process once the court issues final rulings and guidance. Based on air quality monitoring data, up to 40 counties in North Carolina could be designated in non-attainment under the new standard. The implications of a non-attainment designation for transportation programs are included in Mr. Hyder's presentation.

Once the court issues its ruling and guidance, EPA will restart the designation process. EPA and the state will have 120 days to negotiate the areas of the state to be included in the designation. The negotiation is based on the analysis and interpretation of three years of air quality monitoring data. Designations follow this negotiation and then areas have 12 months to prepare plans and documentation required under the federal Clean Air Act.

North Carolina has already begun to implement changes that will help air quality throughout the state. The North Carolina Clean Air Act, passed in 1999, includes authorizations for clean gasoline to be available by 2004 and expansion of the inspection and maintenance (I&M) program to 48 counties by 2007. EPA is requiring the implementation of cleaner diesel engines and cleaner diesel fuels.

EPA is also in the rule-making process for the implementation of a stricter particulate standard, commonly referred to as PM-2.5 or PM Fine. Based on data collected from July 1999 through March 2001, North Carolina has 16 counties that have fine particulate problems (10 at above standard levels, 3 at moderately above and 3 at well above). The regulatory and planning process for fine particulate pollution is just beginning.

Transport of pollutants is a problem throughout the southeast. Transport is the blowing of pollutants across state or regional boundaries (as opposed to pollution that originates in the area).

Western North Carolina is particularly impacted by power plants located in Tennessee and the Ohio River Valley. The Southern Appalachian Mountain Initiative (SAMI) is a voluntary partnership formed to address air pollution problems on a large regional scale. Alabama, Georgia, Kentucky, North Carolina, South Carolina, Tennessee, Virginia, West Virginia, EPA, the National Park Service, the US Forest Service, electric utilities, environmental groups and academia are all represented in the initiative partnership. Recommendations are due from the group by December 2001. These recommendations will cover both utility and mobile source emission reductions. Mr. Muller also reviewed air quality legislation pending in the North Carolina General Assembly, including the Clean Smokestacks and increased fees for the I & M program.

Transportation and Air Quality, David Hyder

Mr. Hyder's presentation discussed the impact of an air quality non-attainment designation on transportation programs and funding. The federal Clean Air Act requires that transportation projects not cause, or worsen, violations of the air federal quality standards. The Federal Highway Administration (FHWA) is required to certify that states and metropolitan planning organizations (MPOs) long-range plans and transportation improvement program (TIP) meet this requirement. The basis for this certification is a process called "conformity" which compares the projected emissions of a plan or TIP to an emissions budget that is set by the North Carolina Department of Environment and Natural Resources (NCDENR).

Conformity is required whenever an area adopts or amends a new transportation plan or TIP, whenever the states air quality plan changes, or at least every three years. If an area cannot meet the conformity test (referred to a "lapse"), then all design, right-of-way acquisition, new construction and permitting stops---the program is at a standstill until conformity can be shown. In addition, conformity lapses in several major cities in the country have resulted in lengthy lawsuits by environmental advocacy groups (for example, Atlanta and Houston are currently involved in air quality conformity lawsuits).

In North Carolina seven counties are required to do the conformity test under the current air quality standard. The new standard that Mr. Muller discussed could impact from 20-40 counties in NC and make them subject to the conformity requirements. The EPA lawsuits have made it difficult to determine when designations will occur under the new standard. The most current information available indicates that designations will occur in mid-2003 and become effective mid-2004. However, this is just a "best guess" at this point. Nonetheless, it is a serious issue for North Carolina. Prior to the EPA lawsuit and based on air quality monitoring data available at that time, NCDOT estimated designations could affect 120 projects representing \$1.52 billion as a worst case scenario. This is worst case because it was based on an assumption that all areas designated in non-attainment would not meet the conformity test. While this is highly unlikely, these numbers do show the importance of the issue to North Carolina.

Further Discussion

Nancy Dunn and Doug Galyon requested that David Hyder's presentation be made to the full Board of Transportation.